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建業地產股份有限公司 *

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

BUSINESS UPDATE

This voluntary announcement is made by Central China Real Estate Limited (the "**Company**" and together with its subsidiaries, the "**Group**") to inform shareholders and potential investors of the Company with an update on the latest business development of the Group.

Reference is made to the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"). Unless otherwise specified, capitalized terms used herein shall have the same meaning as defined in the 2025 Interim Report.

The Company's auditors expressed a disclaimer of opinion on the Company's financial statements for the year ended 31 December 2024 relating to going concern (the "**Disclaimer of Opinion**") in the annual report of the Company for the year ended 31 December 2024, and the Company disclosed on pages 106 to 109 of the 2025 Interim Report about its plans and measures to resolve the going concern issue. The Company would like to provide the following business update in relation to the Company's actions in implementing such plans and measures to resolve the Disclaimer of Opinion:

(i) *Offshore debt*: in respect of the Holistic Solution to the offshore debts, relevant business, financial, asset and legal due diligence, as well as the first draft of the liquidation analysis report has been completed, and the Company is currently formulating a preliminary restructuring plan. In August 2025, the Company submitted the framework restructuring plan to the creditors. The Company and the creditors have also completed the first draft of the due diligence report, and the Company intends to negotiate with the creditors on the restructuring plan once relevant confidentiality agreements are signed.

(ii) *Renewal or extension of borrowings and additional financing obtained*: the Company has further negotiated with existing lenders on the renewal or extension of the Group's borrowings, as well as actively sought other available financing channels, such as relief loans. As of 30 November 2025, the Company has reached agreement with existing lenders on the extension of approximately RMB2.63 billion of the Group's borrowings, and remains active in negotiating for renewal or extension in respect of borrowings falling due.

(iii) *Measures to accelerate the pre-sales and sales of its properties*: the Company has adopted measures such as expense support and employee incentives to manage and accelerate the pre-sales and sales of its properties. Marketing managers of each city are required to report on sales performance, formulate task implementation plans and explore opportunities for business performance breakthrough, including through resource development, new media empowerment, service upgrades and team management. However, due to factors such as weak expectations for household income and the anticipation of price declines, the property market did not show clear recovery, and the Group experienced a significant decline of its contracted sales during the eleven months ended 30 November 2025.

(iv) *Monitoring property development projects*: the Company continues to closely monitor the construction process of its property development projects by different levels and categories, to ensure that the relevant properties sold under pre-sale arrangements are completed and delivered to customers on time, thereby enabling the Group to release the restricted pre-sale proceeds, while maintaining stricter cost control measures.

(v) *No commitment on significant capital expenditures and land acquisitions*: to ensure that no significant capital expenditures and land acquisitions will be made before necessary funding is secured, the Company continues to give priority to utilizing existing land reserves and cooperation with strategic investors for joint project development, and will suspend or defer significant capital expenditures and land acquisitions commitments.

(vi) *Control administrative costs and capital expenditures*: in order to control administrative costs and contain unnecessary capital expenditures, the Company has, among others, continued to optimise the Group's organisational structure and control labour and administrative expenses, such as travel and meeting costs.

(vii) *Settlement of outstanding litigations of the Group*: the Company has proactively sought to reach settlement on outstanding litigations of the Group, and will continue to closely monitor loans falling due. In respect of loans that may potentially be involved in disputes, the Company has actively sought assistance from the government and court to ensure delivery of properties, and in respect of loans for which disputes have been filed, the Company has closely communicated with relevant parties to preserve assets, reach settlement in a timely manner and mitigate foreclosure risks.

Shareholders and prospective investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Central China Real Estate Limited
Wu Po Sum
Chairman

Hong Kong, 31 December 2025

As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum and Ms. Yang Feifei are executive Directors, Mr. Xu Huizhan and Mr. Zhang Hui are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.

* *For identification purposes only*